

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **June 19, 2006**

Appliance Recycling Centers of America, Inc.

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction
of incorporation)

000-19621
(Commission
File Number)

41-1454591
(IRS Employer
Identification No.)

7400 Excelsior Blvd., Minneapolis, MN
(Address of principal executive offices)

55426-4517
(Zip Code)

Registrant's telephone number, including area code **(952) 930-9000**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 5.02: DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS

On June 19, 2006, Appliance Recycling Centers of America, Inc. issued a press release announcing that Linda A. Koenig, chief financial officer, has resigned to accept a position with another company. A copy of the press release is furnished as an exhibit to this report.

ITEM 7.01: REGULATION FD DISCLOSURE

In March 2006, the company reported that it had entered into a purchase agreement for the sale of its corporate headquarters facility for approximately \$6 million. The purchaser has failed to meet its obligations under the purchase agreement. Therefore, the company has initiated action under the cancellation provisions of the purchase agreement to cancel the agreement and establish its right to the escrowed deposit. The purchaser has certain rights to cure its failure to perform under the purchase agreement.

ITEM 8.01: OTHER EVENTS

On June 22, 2006, Appliance Recycling Centers of America, Inc. issued a press release announcing that it has received a contract for recycling the old, inefficient but working refrigerators and freezers of California customers served by the Sacramento Municipal Utility District. A copy of the press release is furnished as an exhibit to this report.

ITEM 9.01: FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated June 19, 2006.
99.2	Press Release dated June 22, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

APPLIANCE RECYCLING CENTERS OF AMERICA, INC.

Date: June 22, 2006

/s/ Linda Koenig



Appliance Recycling Centers of America, Inc.
7400 Excelsior Boulevard, Minneapolis MN 55426 (952) 930-9000

For Immediate Release

For information contact:
Edward R. (Jack) Cameron (CEO)
Linda A. Koenig (CFO)
(952) 930-9000

Richard G. Cinquina
Equity Market Partners
(904) 415-1415

**Appliance Recycling Centers of America Announces Resignation
of Chief Financial Officer Linda A. Koenig**

CFO Duties Assumed by Controller Patrick J. Winters

Minneapolis, MN—June 19, 2006—Appliance Recycling Centers of America, Inc. (Nasdaq: ARCI) today announced that Linda A. Koenig, chief financial officer, has resigned to accept a position with another company. To ensure a smooth management transition for Controller Patrick J. Winters, who will assume her duties, Koenig will continue at ARCA through mid-July. Winters, a certified public accountant, will retain his current title of controller.

Winters, 34, has been with ARCA since 1998 and has served as controller since 2003. Prior to that, he held the positions of accounting manager and general accounting supervisor.

Koenig said: “The decision to leave ARCA was extremely difficult, and I am grateful for the professional opportunities the company has afforded me. I believe ARCA is on an increasingly solid footing, and Pat Winters is well-qualified to help ARCA attain its next level of development and achievement.”

Edward R. (Jack) Cameron, president and chief executive officer, commented: “Linda has been a terrific asset to ARCA and has made innumerable contributions to our progress over the years. We will miss her expertise, wise counsel and friendship, and we wish her the very best in her new position at another company.”

About ARCA

Through its ApplianceSmart (www.ApplianceSmart.com) operation, ARCA is one of the nation’s leading retailers of special-buy household appliances, primarily those manufactured by Maytag, GE, Frigidaire and Whirlpool. These special-buy appliances, which include close-outs, factory overruns and scratch-and-dent units, typically are not integrated into the manufacturer’s normal distribution channel. ApplianceSmart sells these virtually new appliances at a discount to full retail, offers a 100% money-back guarantee and provides warranties on parts and labor. As of June 2006, ApplianceSmart is operating 13 factory outlets: five in the Minneapolis/St. Paul market; three in the Columbus, Ohio, market; two in the Atlanta market; two in San Antonio, Texas and one in Los Angeles. ARCA is also one of the nation’s largest recyclers of major household appliances for the energy conservation programs of electric utilities.

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Statements about ARCA’s outlook are forward-looking and involve risks and uncertainties, including but not limited to: the strength of recycling programs, the growth of appliance retail sales, the speed at which individual retail stores reach profitability, and other factors discussed in the Company’s filings with the Securities and Exchange Commission.

Visit our web sites at www.arcainc.com and www.appliancesmart.com.



Appliance Recycling Centers of America, Inc.
7400 Excelsior Boulevard, Minneapolis MN 55426 (952) 930-9000

FOR IMMEDIATE RELEASE

FOR MORE INFORMATION CONTACT:
Edward R. (Jack) Cameron
(952) 930-9000
Richard G. Cinquina, Equity Market Partners
(612) 338-0810

**Appliance Recycling Centers of America Awarded Recycling Contract
By Sacramento Municipal Utility District**

Minneapolis, MN—June 22, 2006—Appliance Recycling Centers of America, Inc. (Nasdaq: ARCI) today announced it has received a contract for recycling the old, inefficient but working refrigerators and freezers of California customers served by the Sacramento Municipal Utility District.

The contract for this residential energy conservation program, which extends through the end of this year, is valued at approximately \$1 million. ARCA expects to recognize these revenues in the third and fourth quarters of 2006.

Edward R. (Jack) Cameron, president and chief executive officer, said: “We are pleased to count the Sacramento Municipal Utility District as our newest recycling customer. We believe the district’s decision to work with ARCA is another sign of heightening interest by electric utilities in residential energy conservation programs.”

About ARCA

ARCA (www.arcainc.com) is the nation’s largest recycler of major household appliances for the energy conservation programs of electric utilities. Through its ApplianceSmart (www.ApplianceSmart.com) operation, ARCA is also one of the nation’s leading retailers of special-buy household appliances, primarily those manufactured by Maytag, GE, Frigidaire and Whirlpool. These special-buy appliances,

which include close-outs, factory overruns and scratch-and-dent units, typically are not integrated into the manufacturer’s normal distribution channel. ApplianceSmart sells these virtually new appliances at a discount to full retail, offers a 100% money-back guarantee and provides warranties on parts and labor. As of June 2006, ApplianceSmart is operating 13 factory outlets: five in the Minneapolis/St. Paul market; three in the Columbus, Ohio, market; two in the Atlanta market; two in San Antonio, Texas; and one in Los Angeles.

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